



**Topic: Carter review**

**November 2015**

Paul Briddock, Director of Policy, Healthcare Financial Management Association (HFMA), said:

"We welcome the piece of work that the Carter review focuses on. Any tool for benchmarking spending against others which will then potentially enable savings to be made is well received.

To place the early estimated potential savings highlighted in context – they are £5billion over an overall hospital spend of £72 billion - or 7%. It may be that a savings target of this size is achievable but this could only be done over a period of time and expectations over pace of realisation need to be realistic.

It is also still early days in terms of precisely where those savings could be made. Most Trusts are uncertain for example of how the Adjusted Treatment Index (ATI) has been calculated and therefore how robust it is. Likewise work on the Efficient Model Hospital has still not been finalised. Therefore how feasible it is that the £5 billion identified can be achieved is still not known.

This is reflected in our latest NHS Financial Temperature Check survey of over 200 finance directors which showed scepticism about Lord Carter's plans to save the NHS up to £5bn, with most saying they are either not confident (46%) or do not know (53%) if the savings can be made. This is as a result of finance directors not being clear about how the scale of the savings can be achieved, where precisely the savings can be made and how feasible they are.

It is imperative that the review is not implemented in terms of centrally allocating savings targets to Trusts until the issues of feasibility and timescales are known. A top down approach of imposing savings targets on Providers in this way may simply disengage them."

**--- ENDS ---**

For further information and interviews please contact:

Jennifer Ames: [Jennifer.ames@kindredagency.com](mailto:Jennifer.ames@kindredagency.com) / 020 7010 0817

HFMA press office: [HFMA@kindredagency.com](mailto:HFMA@kindredagency.com) / Tel: 020 7010 0861